

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

In Re:

LLS AMERICA, LLC,

Debtor,

BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America, LLC,

Plaintiff,

v.

CLIFF BETZ and SHARON BETZ,

Defendants.

NO: CV-12-442-RMP

Bankr. Case No. 09-06194-PCW11

Adv. Proc. No. 11-80186

DEFAULT JUDGMENT

THIS MATTER came on consideration upon the Motion of Plaintiff for
Entry of Default and Judgment against Defendants Cliff Betz and Sharon Betz, and
it appearing from the file and records of this Court in this cause that the default
judgment (Bkcy. Dkt. No. 21) entered by the Bankruptcy Court should be deemed

1 proposed findings of fact and conclusions of law, and that entering final default
2 judgment in conformity with the default judgment entered by the Bankruptcy Court
3 is appropriate,

4 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the
5 Plaintiff, Bruce P. Kriegman, solely in his capacity as court-appointed Chapter 11
6 Trustee for LLS America, LLC, shall have a judgment against the Defendants,
7 Cliff Betz and Sharon Betz, as follows:

8 1. Monetary Judgment in the amount of CAD \$121,220.00, pursuant to 11
9 U.S.C. § 550 and RCW 19.40.071;

10 2. Transfers in the amount of CAD \$121,220.00 made to the Defendants
11 Cliff and Sharon Betz within four years prior to the Petition Filing Date are hereby
12 avoided and Plaintiff may take all necessary action to preserve the same, pursuant
13 to 11 U.S.C. §§ 544, 550, 551 and 548(a) and (b) and RCW 19.40.041(1) and (2)
14 and RCW 19.40.071;

15 3. All said transfers to Defendants Cliff and Sharon Betz are hereby set aside
16 and Plaintiff shall be entitled to recover the same, or the value thereof, from
17 Defendants Cliff and Sharon Betz for the benefit of the estate of LLS America,
18 pursuant to 11 U.S.C. §§ 544, 550, and 551;

19 4. All proofs of claim of the Defendants which have been filed or brought or
20 which may hereafter be filed or brought by, on behalf of, or for the benefit of any

1 of the Defendants or their affiliated entities, against the Debtor's estate, in this
2 bankruptcy or related bankruptcy proceedings, are hereby disallowed and
3 subordinated to the monetary judgment granted herein and Defendants Cliff and
4 Sharon Betz shall not be entitled to collect on their proof of claim (Claim No. 259-
5 1) until the monetary judgment is satisfied by Defendants Cliff and Sharon Betz in
6 full, pursuant to 11 U.S.C. §§ 502(d), 510(c)(1) and 105(a);

7 5. A constructive trust is hereby established over the proceeds of all transfers
8 in favor of the Trustee for the benefit of the estate of LLS America; and

9 6. Plaintiff is hereby awarded costs (i.e. filing fees) in the amount of \$250.00
10 USD, for a total judgment of CAD \$121,220.00, plus \$250.00 USD, which shall
11 bear interest equal to the weekly average of one-year constant maturity (nominal)
12 treasury yield as published by the Federal Reserve System.

13 The District Court Clerk is directed to enter this Order, enter judgment as
14 outlined above, and provide copies to counsel and to Judge Patricia Williams.

15 DATED this 31st day of October 2012.

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17
18 s/ Rosanna Malouf Peterson
19 ROSANNA MALOUF PETERSON
20 Chief United States District Court Judge